

NATIONAL DAIRY MARKET AT A GLANCE

CHICAGO MERCANTILE EXCHANGE (CME) CASH MARKETS: Grade AA butter, in weekly trading, decreased 12 cents to \$2.1300.

In daily cash cheese trading, barrels closed at \$1.8250 on Friday, November 6, and blocks ended the week at \$1.8550. The weekly average is \$1.8230 for barrels and \$1.8510 for blocks.

In daily cash nonfat dry milk trading, the close on Friday, November 6, is \$1.1600 for Extra Grade and \$1.1650 for Grade A. The weekly average for Extra Grade is \$1.1600 and \$1.1650 for Grade A.

BUTTER: Butter markets remain weak. Producers and handlers continue to exercise caution when it comes to buying and producing butter. Weakening prices and sufficient stocks are two factors contributing to this cautious optimism. Cream offerings remain heavy over much of the country. Butter stocks seem to be in better balance with needs as some suppliers are trying to clear inventories they may have before prices decline much further. Retail orders are reported to be fairly good as grocery stores prepare for the upcoming Thanksgiving holiday. Food service orders are also stronger as restaurant traffic increases, typical for the final 2 months of the year.

CHEESE: The cash cheddar cheese market is fully steady. (Cash prices closed at new record highs for the ninth consecutive week?) Current movement remains good. Most plants are still committed with orders for a couple weeks or so. A few occasional spot loads have started to become available, in part, due to slower Class I sales in late October. Cumulative January - September U.S. cheese production compared to the same period in 1997 is: American cheese, 2.484 billion pounds, down 0.5%; cheddar, 1.976 billion pounds, off 2.0%; and total cheese, 5.561 billion pounds, up 1.3%.

FLUID MILK: Milk supplies are not as tight as they have been in many areas of the country. Southeastern handlers report importing about 115 loads of milk this week. This week's shipments are down significantly from past weeks. This is providing shipping plants/areas with more milk to process. Milk production is increasing in the Southeast and Southwest while mostly steady elsewhere in the country. Some areas of the Northeast and Upper Midwest are seeing their output at or near the low point in the annual cycle. The fluid cream market is weak. Offerings are more than ample in most regions of the country.

DRY PRODUCTS: The dry, dairy product markets are little changed. The NDM market is steady and prices in all regions are unchanged. Drying schedules are light, but starting to increase as the milk supply isn't as tight as it has been. Dry buttermilk offerings are steady to heavier with demand still slow to fair. The dry whey market is steady and prices mixed. Producer stocks are closely

balanced and fewer are discounting prices. However, demand for dry whey is just fair. The WPC market is steady to weaker and prices are lower. Stocks, though well balanced, are more than adequate for current needs.

CCC: During the week of November 2 - 6, CCC did not make any support price purchases. However, during the week of October 30 - November 5, they did sellback 6,713,419 pounds of NDM at \$1.1000 per pound.

BASIC FORMULA PRICE (USDA, DAIRY PROGRAMS): The basic formula price (BFP) for October 1998 is \$16.04 per cwt. (an all time record high) at 3.5% test. The BFP is \$.94 higher than last month and \$3.21 higher than October 1997. The BFP is the base month M/W price of \$15.18 plus a change of \$.86, which is the change in the butter/powder/cheese formula from September to October. For October, the NASS average cheese price was \$1.7534. The butterfat differential is \$0.273. The following are the October Class III-A prices: for Federal Orders 1 & 2, \$18.19; for Order 4, \$18.21; for Orders 124, 131, & 135, \$18.12; for other affected orders, \$18.13.

DAIRY PRODUCTS (NASS): Butter production was 67.2 million pounds in September, 15.4% below September 1997 but 9.2% above August 1998. American type cheese production totaled 246.1 million pounds, 5.8% below September 1997 and 5.7% below August 1998. Total cheese output (excluding cottage cheese) was 581.7 million pounds, 3.7% below September 1997 and 2.4% below August 1998. Nonfat dry milk production, for human food, totaled 63.0 million pounds, 18.5% below September 1997 and 13.1% below August 1998. Dry whey production, for human food, was 82.4 million pounds, 3.7% below September 1997 and 10.0% below August 1998.

OCTOBER AGRICULTURAL PRICES HIGHLIGHTS (NASS): The index of prices paid by farmers for commodities and services, interest, taxes, and wage rates in October 1998 was unchanged at 113. Compared with October 1997, the index was down 4 points (3.4%). The index of prices received by farmers for dairy products advanced 5 points during the month of October 1998 to 132, up 24 points (22.2%) from October 1997. On a 3.5% butterfat basis, prices received by farmers in October with changes from September were: for All Milk, \$16.86, up 52 cents; for Fluid Grade Milk, \$16.86, up 39 cents; and for Manufacturing Grade Milk, \$15.35, up 50 cents.

PRESS RELEASE: Agriculture Secretary Glickman announced on November 6, 1998, a Food Aid Package for Russia. The package includes a donation of 30,000 MT (66,138,000 pounds) of nonfat dry milk. Shipments may start as early as December 1998.

****SPECIALS THIS ISSUE****

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**CHICAGO MERCANTILE EXCHANGE
CASH TRADING**

CHEESE: carload = 40,000-44,000 lbs., NONFAT DRY MILK: carlot = 42,000-45,000 lbs., BUTTER: carlot = 40,000-42,000 lbs.

PRODUCT	MONDAY NOV 2	TUESDAY NOV 3	WEDNESDAY NOV 4	THURSDAY NOV 5	FRIDAY NOV 6	WEEKLY CHANGE*	WEEKLY AVERAGE#
CHEESE							
BARRELS	\$1.8200 (N.C.)	\$1.8200 (N.C.)	\$1.8250 (+.0050)	\$1.8250 (N.C.)	\$1.8250 (N.C.)	+.0050	\$1.8230 (+.0080)
40# BLOCKS	\$1.8500 (N.C.)	\$1.8500 (N.C.)	\$1.8500 (N.C.)	\$1.8500 (N.C.)	\$1.8550 (+.0050)	+.0050	\$1.8510 (+.0060)
NONFAT DRY MILK							
EXTRA GRADE	\$1.1600 (N.C.)	\$1.1600 (N.C.)	\$1.1600 (N.C.)	\$1.1600 (N.C.)	\$1.1600 (N.C.)	N.C.	\$1.1600 (N.C.)
GRADE A	\$1.1650 (N.C.)	\$1.1650 (N.C.)	\$1.1650 (N.C.)	\$1.1650 (N.C.)	\$1.1650 (N.C.)	N.C.	\$1.1650 (N.C.)
BUTTER							
GRADE AA	----	----	----	----	\$2.1300 (-.0012)	----	----

*Sum of daily changes. # Weekly averages are simple averages of the daily closing prices for the calendar week. Computed by Dairy Market News for informational purposes. This data is available on the Internet at WWW.AMS.USDA.GOV/MARKETNEWS.HTM

CHICAGO MERCANTILE EXCHANGE

Trading Activity - November 2 - 6, 1998

MONDAY, NOVEMBER 2, 1998

CHEESE -- SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: 1 CAR 40# BLOCKS @ \$1.8600

NONFAT DRY MILK -- SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: NONE

TUESDAY, NOVEMBER 3, 1998

CHEESE -- SALES: NONE; BIDS UNFILLED: 1 CAR BARRELS @ \$1.8200; 1 CAR 40# BLOCKS @ \$1.8500; OFFERS UNCOVERED: 2 CARS 40# BLOCKS: 1 @ \$1.8550, 1 @ \$1.8800

NONFAT DRY MILK -- SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: NONE

WEDNESDAY, NOVEMBER 4, 1998

CHEESE -- SALES: NONE; BIDS UNFILLED: 2 CARS BARRELS: 1 @ \$1.8250, 1 @ \$1.8200; OFFERS UNCOVERED: 1 CAR 40# BLOCKS @ \$1.8800

NONFAT DRY MILK -- SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: NONE

THURSDAY, NOVEMBER 5, 1998

CHEESE -- SALES: NONE; BIDS UNFILLED: 1 CAR 40# BLOCKS @ \$1.8500; OFFERS UNCOVERED: NONE

NONFAT DRY MILK -- SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: NONE

FRIDAY, NOVEMBER 6, 1998

CHEESE -- SALES: NONE; BIDS UNFILLED: 1 CAR 40# BLOCKS @ \$1.8550; OFFERS UNCOVERED: NONE

NONFAT DRY MILK -- SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: NONE

BUTTER -- SALES: 26 CARS: 1 @ \$2.0900, 2 @ \$2.0950, 1 @ \$2.0900, 1 @ \$2.0825, 1 @ \$2.0800, 6 @ \$2.0750, 2 @ \$2.0725, 6 @ \$2.0800, 3 @ \$2.0900, 1 @ \$2.0875, 1 @ \$2.1450, 1 @ \$2.1000; BIDS UNFILLED: 2 CARS: 1 @ \$2.1300, 1 @ \$1.5000; OFFERS UNCOVERED: 2 CARS: 1 @ \$2.1950, 1 @ \$2.2500

BUTTER MARKETS**SEPTEMBER BUTTER PRODUCTION**

During September, butter production in the United States totaled 67.2 million pounds, 15.4% below September 1997, but 9.2% above August 1998. Production percentage changes from September 1997 for various states are: CA -47.9%, MN +87.1%, NY -18.1%, OR -2.7%, PA -46.7%, WA unchanged, and WI +2.6%. Cumulative output for the first 9 months of 1998 totals 781.4 million pounds, down 10.5% when compared to the same 9 months in 1997.

NORTHEAST

Premium structures are unchanged, but the butter price at the CME dropped for the sixth consecutive week. Many producers and buyers had anticipated a larger drop and many remain cautious in their approach to buying and producing butter. Cream availability is more than ample, but butter makers are reluctant to make too much butter when prices are falling. Multiples for the cream are very low by normal standards. Butter stocks seem to be in better balance with needs as some suppliers are trying to clear any inventories they may have had before prices drop much further. Demand for bulk butter is less aggressive. Print orders are not as good as some suppliers had hoped. Thanksgiving orders should have been placed, but some buyers are waiting to see if prices continue to drop. Retail and food service sales are mostly steady.

CENTRAL

The market tone remains weak. Over the past 6 weeks, the cash price at the Chicago Mercantile Exchange has declined 56 cents from a record high of \$2.8100 per pound. In light of this weakening trend, churning schedules are being closely maintained. Most producers are reluctant to take on any additional cream due to the potential for further price weakness. In most instances, butter that is currently being churned has been sold or will be consumed in the very near future. Cream supplies are reported to more available than butter operations are currently absorbing. Stocks of butter are in close balance for most needs. Buyers continue

to place immediate need orders and are returning to the market on a more regular basis. Retail orders are reported to be fairly good, much to the surprise of many producers. Consumers have slowed their buying patterns due to the recent sharp increases to retail butter prices, although retailers are hoping that the upcoming holidays and scattered feature activity will encourage customers to buy butter. Food service orders are fairly good as restaurants prepare for holiday shoppers and parties.

WEST

Discounts are about steady, but bulk sales are very slow. Buyers are not interested in buying much additional butter from the West at this time. Most buyers seem to have enough butter on hand to cover their Thanksgiving needs. This is a change from a few weeks ago when many contacts believed that butter supplies would be short of full trade needs. Cream offerings remain heavy over much of the country. Churns are wanting some protection before they are willing to take possession of additional cream. They want to split the difference or buy the cream on a future CME market. Fat tests on farm milk receipts are increasing seasonally. Print retail sales are beginning to face more impact from record high store prices. A positive factor in the market is that production of seasonal, high fat items is increasing and taking care of some additional cream offerings. A negative factor is the amount of imported butter onshore that is competing for industrial accounts.

WHOLESALE SELLING DIFFERENTIALS, F.O.B. PRODUCING PLANTS, TRUCKLOAD QUANTITIES.

FIGURES REPRESENT THE RANGE IN PREMIUMS OR DISCOUNTS (CENTS/POUND) FROM THE CME GRADE AA CASH BUTTER CLOSE OCTOBER 30, 1998 CLOSE = \$2.2500

STYLE	NORTHEAST	CENTRAL	WEST
BULK	+3 TO +5	flat TO +3	-5 TO -2

NASS DAIRY PRODUCT PRICES
U.S. AVERAGE AND TOTAL POUNDS

WEEK ENDING	CHEESE		NDM	BUTTER	DRY WHEY
	40# BLOCKS	BARRELS 39% MOISTURE			
OCTOBER 31	1.8020 5,168,681	1.7560 8,550,370	1.0849 11,990,066	2.3394 2,179,473	0.2405 6,060,022

Further data and revisions may be found on the Internet at: <http://usda.mannlib.cornell.edu/reports/nassr/price/cheddar/>

CHEESE MARKETS

NORTHEAST

Prices for process and natural cheddar items continue their upward spiral. At the CME, 40# blocks' weekly average prices have increased for seven consecutive weeks. Each increase for both barrels and blocks sets new record highs. The market tone is steady. However, the slowing of milk shipments to the Southeast may provide or make available additional volumes of milk to cheese makers. Producers' stocks are closely balanced with needs. Retail features for Thanksgiving are starting, but they are often offset by the high prices. Demand for gift pack items is seasonally good, but most have been shipped to the gift pack assemblers. Food service orders are holding up quite well.

WHOLESALE SELLING PRICES: DELIVERED,
DOLLARS PER POUND (1000 - 5000 POUNDS MIXED LOTS)

Cheddar 10# Prints	:	1.8475-2.3325
Cheddar Single Daisies	:	1.8175-2.3325
Cheddar 40# Block	:	1.9850-2.1325
Process 5# Loaf	:	2.0025-2.1550
Process 5# Sliced	:	2.0300-2.2150
Muenster	:	2.0250-2.3400
Grade A Swiss Cuts 10 - 14#	:	2.2500-2.5050

MIDWEST

The cheese market is steady, though with a cautious undertone. The necessary lead time on orders has diminished at some plants and availability of many varieties, at least temporarily, is not nearly as short or tight as recent weeks. At least part of the change can probably be attributed to the decline in milk shipments to the Southeast during late October and falling butter prices. With cash cheese prices at new record levels at the Chicago Mercantile Exchange, buyers and producers are reluctant to maintain more than minimal inventories. Others are just building their holiday inventory. Process movement is steady to often slower, reflecting recent price increases. Natural interest is irregularly about steady. Mozzarella offerings have gone from from being well back ordered to just about caught up. Some supplemental spot loads of cheese are now starting to become available from the West. Cheese yields are approaching their annual peak as fat and protein levels increase seasonally. Total cheese output and changes during September compared to September 1997 in selected Midwestern states are: Wisconsin 171.4 million pounds, down 5.7 million pounds (3.2%); Minnesota 40.7 million pounds, down 7.7 million pounds (15.9%); and Iowa 19.6 million pounds, up 322,000 pounds (1.7%).

WISCONSIN WHOLESALE SELLING PRICES: DELIVERED,
DOLLARS PER POUND (1000 - 5000 POUNDS MIXED LOTS)

Process American 5# Loaf	:	1.9850-2.1500
Brick And/Or Muenster 5#	:	2.1200-2.3200
Cheddar 40# Block	:	1.9150-2.1400
Monterey Jack 10#	:	1.9150-2.3100
Blue 5#	:	2.4550-2.6800
Mozzarella 5 - 6# (Low Moisture, Part Skim)	:	1.9150-2.2000
Grade A Swiss Cuts 6 - 9#	:	2.4500-2.5500

MIDWEST COMMODITY CHEDDAR

Dollars per pound, standard moisture basis (37.8-39.0%),
carlot/trucklot, F.O.B. plants or storage centers.

CHEDDAR STYLES	:	NOVEMBER 2 - 6, 1998
40# BLOCKS	:	\$1.8650 - 1.8850
	:	(\$0.0125) (.0025)
BARRELS*	:	\$1.8150 - 1.8350
	:	(\$0.0150) (.0150)

() Change from previous week. * If steel, barrel returned.

WEST

Prices continue to firm for most Western cheese. Sales activity remains very good. Production ranges from steady to somewhat heavier. Process cheese remains short of full trade needs. Current blocks are in close balance. Aged cheese is increasingly hard to find. Mozzarella offerings are more closely balanced with demand. Swiss sales are improving related to the season. Total cheese production for the U.S. is down 3.7% from last year at 581.7 million pounds. Output for the year totals 5.56 billion pounds, up 1.3% from the same period in 1997. Swiss output in September totals 16.4 million pounds, up 1.8% from last year.

WHOLESALE SELLING PRICES: DELIVERED, DOLLARS PER POUND
(1000 - 5000 POUNDS MIXED LOTS)

Process 5# Loaf	:	1.9700-2.2250
Cheddar 40# Block	:	1.9600-2.1075
Cheddar 10# Cuts	:	2.1600-2.3675
Monterey Jack 10#	:	2.1800-2.3300
Grade A Swiss Cuts 6 - 9#	:	2.4000-2.5300

FOREIGN TYPE

Prices are higher on domestic styles, unchanged on imported. The market tone for table cheeses is improving slightly as the holidays approach. With the domestic cheese prices so high, there is continued interest for imported cheeses used in processing. Stocks are generally adequate for current needs.

WHOLESALE SELLING PRICES: FOB DISTRIBUTORS DOCK
DOLLARS PER POUND (1000 - 5000 POUNDS, MIXED LOTS)

VARIETY	NEW YORK	
	IMPORTED	DOMESTIC
Roquefort	: 5.5000-6.8900	: -0-
Blue	: 2.6400-3.1400	: 2.1800-2.7900*
Gorgonzola	: 3.2400-5.9400	: 2.4900-2.8750*
Parmesan (Italy)	: TFEWR	: 3.5900-3.6300*
Romano (Italy)	: 2.0900-2.9000	: -0-
Provolone (Italy)	: 3.4400-5.5000	: 1.8525-2.3800*
Romano (Cows Milk)	: -0-	: 3.3575-3.6950*
Sardo Romano (Argentina)	: 2.6500-3.2900	: -0-
Reggianito (Argentina)	: 2.6500-3.2900	: -0-
Jarlsberg-(Brand)	: 2.7400-3.1200	: -0-
Swiss Cuts Switzerland	: -0-	: 2.2500-2.5050
Swiss Cuts Finnish	: 2.5900-2.8500	: -0-
Swiss Cuts Austrian	: 2.2500-2.7500	: -0-
Edam	:	:
2 Pound	: TFEWR	: -0-
4 Pound	: 2.1900-3.0900	: -0-
Gouda, Large	: 2.3900-3.1500	: -0-
Gouda, Baby (\$/Dozen)	:	:
10 Ounce	: 27.8000-31.7000	: -0-

* = Price change.

WEEKLY COLD STORAGE HOLDINGS - SELECTED STORAGE CENTERS
IN THOUSAND POUNDS - INCLUDING GOVERNMENT STOCKS

	BUTTER	CHEESE
11/02/98	8,182	95,643
10/01/98	6,894	100,820
CHANGE	+1,288	-5,177
% CHANGE	+19	-5

Based on the historical relationship of the preliminary U.S. Cold Storage report of Sep. 30 and the selected centers storage report, the expected U.S. holdings as of Nov. 1 are:

Butter	42 million pounds plus or minus	5.23 percent
Cheese	394 million pounds plus or minus	3.32 percent

FLUID MILK AND CREAM

E A S T

Milk production continues to climb in much of the Southeast while steady to lower in the more northern parts of the region. In the Northeast, November milk production typically hits the low point of the annual cycle. In the Southeast, November is the time when the milk flow starts to increase. With the current high milk prices and inexpensive feed costs, many farmers are stepping up their milk output. The fluid milk supply is not nearly as tight as it has been. Florida handlers have scheduled 79 loads for import this week. This is down from last week's 129 and the 124 loads for the comparable week last year. Other handlers in the Southeast report importing only 36 loads from sources outside of their normal channels. The combined weekly total of less than 125 loads is in stark contrast to the nearly 400-500 loads per week just a month ago. Class I demand is mixed ranging from improved to mostly steady. In some areas, the first of the month sales do improve and clear more milk, but elsewhere, milk sales don't change too much from week to week. Surplus milk supplies are heavier in those plants that had been shipping milk south, still relatively light in others. The condensed skim market remains quite firm. Prices are steady to slightly higher within the range. The change in the Class II milk price from October to November plus the falling values of fat are causing some suppliers to move prices up. Some suppliers have not moved their prices as the Class II milk prices didn't change that much. Demand for wet solids is holding up quite well. The fluid cream market is weak and supplies are more than ample. More excess cream is looking for a home and multiples for any extra or spot loads are often below 110. Some butter makers are not taking cream above flat market, delivered. Class II, spot sales are mostly in the mid "one teens" and based on future CME closes. Demand for cream is mostly contractual. Buyers are making few extra purchases and when they do, multiples/prices are the determining factor. Ice cream production is seasonally slow to fair. Cream cheese output is also steady, but most producers are gearing up for anticipated holiday sales. Bottlers are reported to be processing less cream this year because of retail prices and consumer resistance. Churning activity is moderate, but growing as more excess cream is available.

FLUID CREAM AND CONDENSED SKIM PRICES IN TANKLOT QUANTITIES

SPOT PRICES OF CLASS II CREAM, \$ PER LB BUTTERFAT

F.O.B. Producing Plants: Northeast	-	2.5425 - 2.9475
Delivered Equivalent Atlanta	-	2.6550 - 3.0875 M 2.7000 - 2.8575
F.O.B. Producing Plants: Upper Midwest	-	2.6550 - 3.0600

PRICES OF CLASS II CONDENSED SKIM, \$ PER LB WET SOLIDS

F.O.B. Producing Plants: Northeast	-	.8500 - 1.0500
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M I D W E S T

WISCONSIN SPOT SHIPMENTS:

SPOT SHIPMENTS:	LOADS
OCTOBER 30 - NOVEMBER 5, 1998	17
PREVIOUS WEEK	14
COMPARABLE WEEK IN 1997	28

DESTINATIONS: KENTUCKY 17

Class I demand is irregular. Interest is occasionally lighter than expected for the first of the month while other bottlers are observing regular increases. Increases were noted in holiday product output such as dips and sour cream. Besides the Wisconsin shipments in the total, 10 loads were sent to Ohio and 2 truckloads to Michigan. Overall Midwestern milk shipments into the South are trending lower, leaving more fluid available for manufacturing. Loads sent to other states are also lower due to local increases in milk receipts. Spot milk prices are

continuing to trend lower, generally \$3.00+. Moving cream remains a problem due to continued nervousness about the potential for price declines on butter. Cream prices continue to reflect weakness at the Chicago Mercantile Exchange cash butter market. Ice cream production is seasonal and cream cheese output is seasonally active. Milk intakes are about steady at low seasonal levels. The general consensus is that most producers will milk the "tailender" cows, at least until the weather gets bad, as milk prices are good and feed prices are cheap. In the northern states in the region, milk production is basically at the low point for the year, with some different operations still noticing slight declines. In the mid-tier of Central states, milk receipts are showing normal increases from the low. Most of the crops are out of the field with the exception of some extra cornstalks for bedding. Good progress has been made on fall tillage operations. Many local elevators have outside piles of grain.

WISCONSIN LIVESTOCK AUCTIONS (PER CWT.)

	OCT 29 - NOV 4	PREVIOUS YEAR
SLAUGHTER COWS	\$ 27.00- 33.00	\$ 31.00- 36.00
REPLACEMENT HEIFER CALVES	\$150.00-220.00	\$110.00-145.00

SOUTH ST. PAUL TERMINAL AUCTION MARKET (PER CWT.)

	OCT 29 - NOV 4	PREVIOUS YEAR
SLAUGHTER COWS	\$ 27.00- 35.75	\$ 29.00- 35.50

W E S T

The October 4a price (butter/powder) in California is \$17.60, down \$1.03 cents from September 1998 but \$4.38 higher than last year. The 4b price (cheese) is \$16.37, 97 cents higher than last month and \$4.19 more than last year. Milk production in the Southwest continues to increase, seemingly on a slighter growth when compared to the sharper increase of 4 to 6 weeks ago. A steadier growth pace is noted in California. Contacts generally expect production to be ahead of year ago levels and grow to a couple of percentages higher by year end. Higher milk output in New Mexico, coupled with less fluid milk leaving the region, is allowing production schedules to increase at most plants. The milk is most often welcomed at plants. Cheese producers are taking as much milk as possible and economics point that the milk should go there. In addition, condensed skim and NDM are being added to cheese to extend yields. The unsettledness of the butter market has backed up the fluid cream market. The increases in holiday based cream items being produced are not enough to balance the cream supplies. Western cream multiples are not being openly quoted and are highly negotiable. Normal seasonal weather conditions prevail over most of the Pacific Northwest. Milk output appears to be just either side of neutral. Some contacts are reporting rebounds, while others are stating that output is slipping. Tests on incoming farm milk are increasing seasonally. Many producers are concerned about how the price/quality issues for hay will play out this winter. There is certainly some good dairy hay out there if producers are willing to pay for it, but there are some indications that exporters are coming back into the market for some additional needs. Central California dairymen are coming into Oregon looking for hay until new crop becomes available from the Imperial Valley at the end of the first quarter. Most producers have grain needs locked up. Heifer numbers and prices are limiting expansion plans for many dairymen. Many are deciding that paying down debt this winter may be their best option as part of their ongoing operating plan. Good weather conditions are the rule in Utah and Idaho. Milk output is holding up quite well. Some plants are looking for additional milk supplies with little success at prices that they can make work. Heavy volumes of hay are moving around the countryside compared to last year.

CENTRAL AND WEST DRY MILK PRODUCTS

All reports, except California manufacturing plants, were released 11/05/98 and represent FOB Central and Western production areas. Prices represent CL/TL quantities in 50 lb., 100 lb., or 25 kg. bags, spray process, dollars per pound.

NONFAT DRY MILK - CENTRAL

Prices and the market tone are unchanged. Production is steady to slightly heavier. Less milk is being shipped into the Southeast this week and shipping plants now have more milk to process. Producers' stocks are quite well balanced and output clears easily. Resales continue to fill some spot needs. Buyers are purchasing for short term needs. Production of human food, nonfat dry milk during September 1998 totaled 63.0 million pounds, down 18.5% from September 1997 and down 13.1% from August 1998. Month ending stocks, at 64.4 million pounds, are 51.9% below a year ago and 17.5% less than last month.

Includes EXTRA GRADE and GRADE A, low and medium heat

NONFAT DRY MILK: 1.0900 - 1.1525 MOSTLY: 1.0900 - 1.1000

DRY BUTTERMILK - CENTRAL

Prices are lower and the market tone is showing more signs of weakness. Reports of multi-load offerings at attractive prices have been noted, but there have been no confirmed sales. Production levels are a little heavier at some plants as churning activity increases under the pressure of growing cream supplies. Demand is slow to fair. Dry buttermilk production during September totaled 2.6 million pounds, down 14.4% from September 1997 but 13.2% higher than August 1998. Month ending stocks, at 2.3 million pounds, are 16.7% less than a year ago but 1.9% more than last month.

BUTTERMILK: .9500 - 1.0400

DRY WHEY - CENTRAL

Prices are mixed and the market tone is showing some signs of firmness. Last week's price discounts reportedly moved the desired volumes and producers, this week, are not inclined to offer discounted prices. Contacts continue to report just steady demand, but stocks are in closer balance with sales. Production levels are unchanged, but more cheese makers are being offered more milk. Most are resisting these additional offers because of price. Production of human food, dry whey during September 1998 totaled 82.4 million pounds, 3.7% less than September 1997 and 10.0% less than August 1998. Month ending stocks, at 36.4 million pounds, are 23.7% above a year ago but 4.2% less than a month ago.

NONHYGROSCOPIC: .2325 - .2550 MOSTLY: .2400 - .2500

ANIMAL FEED WHEY - CENTRAL

Prices remain nominal and they are little changed from last week. Demand for milk replacer and standard grade whey is sluggish. Sales of roller and delactose are about steady. The very weak hog and veal markets are having a significant impact on animal feed sales. During September, production of animal feed, dry whey totaled 5.9 million pounds, 42.3% more than last September but 5.3% less than August. Month-ending stocks were 3.7 million pounds, 48.2% more than last year but 15.9% less than last month. Animal feed, reduced lactose and minerals whey production during September totaled 2.6 million pounds, 17.7% more than last year but 13.0% above August.

MILK REPLACER: .2000 - .2175
STANDARD: .1650 - .1900
ROLLER GROUND: .2525 - .2625
DE LACTOSE (Min. 20% protein): .3275 - .3600

LACTOSE - CENTRAL AND WEST

Prices and the market tone are unchanged. Contacts report little change in market activity, demand, or product availability this week. U.S. lactose production during September totaled 36.8 million pounds, up 14.1% from last year but 2.1% lower than August 1997. Month ending stocks, at 28.2 million pounds, are 19.6% higher than last year but 10.8% below last month. The following is production, with changes from 1997: Minnesota, 9.3 million pounds, up 1.1%; and Wisconsin, 7.7 million pounds, down 0.4%.

Including spot sales and up to 3 month contracts. Mesh size 30 - 100.

EDIBLE: .1500 - .2350 MOSTLY: .1700 - .1800

WHEY PROTEIN CONCENTRATE - CENTRAL AND WEST

Prices are generally lower. The market tone remains weak. Production levels are light to moderate and producer stocks, though quite well balance, are more than adequate for the current, slow demand. U.S. production of human food WPC during September totaled 19.8 million pounds, up 14.6% from last year but 6.6% lower than August 1997. Manufacturers' stocks at the end of September totaled 10.9 million pounds, 24.3% higher than last year but 9.5% below last month.

EXTRA GRADE 34% PROTEIN: .5500 - .6225 MOSTLY: .6075 - .6125

NONFAT DRY MILK - WEST

Prices are unchanged for both price ranges with high heat being nominal. Currently, spot buying is limited because of the limited availability from producing plants in the region. Demand is described as light from spot buyers. Comments are that some producers overestimated production and are oversold. Some shortages are being filled by purchases of sellback powder from the CCC. Sales of condensed skim remain active but are being curtailed to produce more NDM. Production still is below needs at many locations. Plant stocks are light. U.S. NDM production in September totaled 63.0 million pounds, down 18.5% from last year and 13.1% lower than last month. Stocks at the end of September were reported at 64.4 million pounds, down 51.9% from last year and 17.5% less than last month. September production in California totaled 34.2 million pounds, down 16.0% from last year, and Washington output totaled 11.2 million pounds, down 8.0% from a year ago.

Includes EXTRA GRADE and GRADE A

LOW/MEDIUM HEAT: 1.0600 - 1.1600 MOSTLY: 1.1100 - 1.1300

HIGH HEAT: 1.1200 - 1.1700

DRY BUTTERMILK - WEST

Buttermilk prices are lower on the top end of the range. Several producers with stocks are finding it hard to move product. Production schedules are increasing, especially at plants that are churning more butter. Other plants are in better shape and are not discounting to move buttermilk. Stocks range from light to more moderate levels. U.S. buttermilk powder production in September totaled 2.6 million pounds, down 14.4% from last year but 13.2% higher than August. Stocks at the end of the month were reported at 2.3 million pounds, down 16.7% from a year earlier but 1.9% higher than August.

BUTTERMILK: .9800 - 1.0200 MOSTLY: .9900 - 1.0000

DRY WHEY - WEST

Western whey prices are fully steady. Sales activity remains good to both export and domestic destinations. Stocks are not a concern at the producing level, but buyers are now getting some calls from producers offering loads of powder. Markets in other regions of the country are not impacting Western sales activity. September whey output in the U.S. totals 82.4 million pounds, down 3.7% from last year.

NONHYGROSCOPIC: .2300 - .2750 MOSTLY: .2400 - .2425

CALIFORNIA MANUFACTURING PLANTS

The weighted average price for Extra Grade and Grade A Nonfat Dry Milk for the seven day period ended October 30, on powder sales of 9,400,150 pounds f.o.b. California manufacturing plants was \$1.0908 per pound. This compares to 12,102,562 pounds at \$1.0891 for the previous week ending October 23, 1998. Prices for both periods were influenced by the effect of long-term contract sales. Compiled by the Dairy Marketing Branch, California Department of Food and Agriculture.

NORTHEAST, SOUTHEAST, AND NATIONAL MILK PRODUCTS

All reports represent carlot/trucklot quantities in 50 lb., 100 lb., or 25 kg. bags, spray process, dollars per pound, unless otherwise specified. Delivered Southeast is delivered equivalent Atlanta.

NONFAT DRY MILK - NORTHEAST AND SOUTHEAST

Prices are nominal and steady. The market tone is unchanged. Eastern producers have little NDM to offer for spot sale and immediate delivery. However, some plants that had been shipping milk to the Southeast have had orders cut and now have milk to process. One plant has dried skim for the first time in more than two months. The demand for condensed skim is holding up quite well. Producer stocks are light and many are still trying to catch up with existing orders. Spot demand for powder is fair. Production of human food, nonfat dry milk during September 1998 totaled 63.0 million pounds, down 18.5% from September 1997 and down 13.1% from August 1998. Month ending stocks, at 64.4 million pounds, are 51.9% below a year ago and 17.5% less than last month.

Includes EXTRA GRADE AND GRADE A

F.O.B. NORTHEAST:

LOW/MEDIUM HEAT: 1.1000 - 1.1700

HIGH HEAT: 1.1300 - 1.1900 MOSTLY: 1.1400 - 1.1500

DELVD SOUTHEAST:

ALL HEATS: 1.1300 - 1.1900

DRY BUTTERMILK - NORTHEAST AND SOUTHEAST

Prices and the market tone are unchanged. Production levels are up slightly as cream supplies are more than ample to meet Class II needs. Producer stocks are quite well balanced, but reports of increased offerings in the Midwest have been noted. Demand is slow to fair. Dry buttermilk production during September 1998 totaled 2.6 million pounds, down 14.4% from September 1997 but 13.2% higher than August 1998. Month ending stocks, at 2.3 million pounds, are 16.7% less than a year ago but 1.9% more than last month.

F.O.B. NORTHEAST: .9800 - 1.0000

DELVD SOUTHEAST: 1.0200 - 1.0800

DRY WHOLE MILK - NATIONAL

Prices and the market tone are unchanged. Production levels are light and generally geared to meeting commitments. Producer stocks are closely balanced with demand. Spot, domestic interest is slow to fair. There have been no new DEIP bids accepted in the past few weeks. Dry whole milk production during September 1998 totaled 10.3 million pounds, down 10.2% from September 1997 and 19.3% below August 1998. Month ending stocks, at 5.5 million pounds, are 5.2% below a year ago and 4.9% less than last month.

F.O.B. PRODUCING PLANT: 1.5750 - 1.7500

DEIP BID ACCEPTANCE SUMMARY

JULY 1, 1998 THROUGH OCTOBER 30, 1998
WITH CHANGES FROM PREVIOUS REPORT

NONFAT DRY MILK -- 34,467 MT (75,985,948 LBS)
CHANGE -- 976 MT (2,151,690 LBS)

WHOLE MILK POWDER -- 2,080 MT (4,585,568 LBS)

CHEESE -- 1,675 MT (3,692,705 LBS)
CHANGE -- 22 MT (48,501 LBS)

BUTTERFAT -- 0 MT

REALLOCATED NDM -- 16,357 MT (36,060,642 LBS)

Allocations for the DEIP year beginning July 1, 1998, are:
Nonfat dry milk - 84,212 MT; Whole Milk Powder - 5,003 MT;
Cheese - 3,350 MT; Butterfat - 29,854 MT.

DRY WHEY - NORTHEAST AND SOUTHEAST

Prices are unchanged to higher and the market tone is steady to a bit firmer. Eastern producers continue to have little product to offer on the spot market. Resellers note that less price discounting is occurring, but demand remains generally slow. Production levels are steady to slightly improved where milk supplies are rebounding. However, one operation is making equipment changes and plant renovations and their output is often slower. Production of human food, dry whey during September 1998 totaled 82.4 million pounds, 3.7% less than September 1997 and 10.0% less than August 1998. Month ending stocks, at 36.4 million pounds, are 23.7% above a year ago but 4.2% less than a month ago.

F.O.B. NORTHEAST: EXTRA GRADE .2375 - .2500

USPH GRADE A .2400 - .2625

DELVD SOUTHEAST: .2600 - .2750

ANIMAL FEED WHEY - NORTHEAST

Prices remain too few to report. The market tone is weak. Offerings, though reasonably well balanced, are more than adequate to meet the generally sluggish demand. Production of dry, animal feed whey during September totaled 5.9 million pounds, 42.3% higher than last year but 5.3% less than August.

F.O.B. NORTHEAST: MILK REPLACER TFEWR

EVAPORATED MILK - NATIONAL

Prices and the market tone are unchanged. Increasing milk prices are causing concern for both producers and buyers. Holiday orders are down from seasonal norms. Some producers attribute this to the high milk prices and earlier than normal buy-ins when milk prices started to climb. Canned evaporated milk production during September 1998 totaled 31.9 million pounds, 23.1% less than September 1997 and 14.3% less than August 1998. Month ending stocks, at 62.2 million pounds, are 39.4% more than a year ago but 2.4% below last month. The Kansas City Commodity office announced the purchase of 1,321,920 pounds of canned evaporated milk under EVD-1, invitation 500 at prices ranging \$.5534-.5938 per pound for delivery in December 1998.

DOLLARS PER 48 - 12 FLUID OUNCE CANS PER CASE DELIVERED MAJOR U.S. CITIES \$23.62 - 33.00

Excluding promotional and other sales allowances. Included new price announcements.

CASEIN - NATIONAL

Casein markets remain weak, although prices are unchanged. Stocks are readily available for domestic needs on a contracted and spot basis. Buyers continue to report to be in a comfortable position as far as supply/demand for the balance of the quarter and do not foresee much change for the start of the new year. During August, 6,649,022 kg of casein were imported into the United States. For the first 8 months of 1998, 46,627,828 kg of casein have entered the country. The January - August total is 11% heavier than the comparable period in 1997. New Zealand and Ireland continue to be the major supplying countries.

SPOT SALES AND UP TO 3 MONTH CONTRACTS. PRICES ARE FOR EDIBLE NONRESTRICTED AND VARY ACCORDING TO MESH SIZE AND QUALITY.

RENNET: 2.0000 - 2.1000

ACID: 1.9500 - 2.0500

COMMODITY	REPORT NUMBER 39	REPORT NUMBER 40	REPORT NUMBER 41	REPORT NUMBER 42	REPORT NUMBER 43	1998	1997
	OCT 01 - 02	OCT 05 - 09	OCT 12 - 16	OCT 19 - 23	OCT 26 - 30	Average	Average
						or Total	or Total
BUTTER							
CHICAGO MERCANTILE EXCHANGE 2/ - CASH TRADING							
-- Grade AA	2.6100	2.3500	2.3350	2.3300	2.2500	2.4089	1.4650
WHOLESALE SELLING DIFFERENTIALS, F.O.B. - BULK - TRUCKLOAD QUANTITIES							
-- Grade AA							
Northeast	+3.00 - +5.00*	+3.00 - +5.00	+3.00 - +5.00	+3.00 - +5.00	+3.00 - +5.00	N.A.	N.A.
Central	0.00 - +4.00	0.00 - +4.00	0.00 - +3.00	0.00 - +3.00	0.00 - +3.00	N.A.	N.A.
West	-3.00 - 0.00	-3.00 - 0.00	-5.00 - -2.00	-6.50 - -3.00	-5.00 - -2.00	N.A.	N.A.
* Last month the Northeast range for report number 35 should have been +3.00 - +5.00.							
CHEESE							
MIDWEST COMMODITY CHEDDAR							
-- Cheddar Barrels	1.7500 - 1.7900	1.7575 - 1.7775	1.7675 - 1.7875	1.7800 - 1.8000	1.8000 - 1.8200	1.7851	N.A.
-- Cheddar 40# Blocks	1.7575 - 1.8025	1.7925 - 1.8225	1.8175 - 1.8475	1.8325 - 1.8725	1.8525 - 1.8825	1.8346	N.A.
WISCONSIN (WSP, Delivered, LTL)							
-- Process American 5# Loaf	1.9200 - 2.0200	1.9275 - 2.0200	1.9375 - 2.0700	1.9500 - 2.0700	1.9700 - 2.1200	2.0047	1.5723
-- Brick And/Or Muenster 5#	2.0000 - 2.2400	2.0300 - 2.2600	2.0600 - 2.2725	2.0600 - 2.2875	2.0900 - 2.3075	2.1663	1.7561
-- Cheddar 40# Block	1.9150 - 2.0225	1.9150 - 2.0500	1.9150 - 2.0800	1.9150 - 2.0800	1.9150 - 2.1100	1.9948	1.7799
-- Monterey Jack 10#	1.9150 - 2.2225	1.9150 - 2.2425	1.9150 - 2.2550	1.9150 - 2.2700	1.9150 - 2.2900	2.0879	1.8799
-- Blue 5#	2.3750 - 2.5600	2.3950 - 2.5900	2.4075 - 2.6200	2.4225 - 2.6200	2.4425 - 2.6500	2.5138	2.0986
-- Mozzarella 5 - 6#	1.9150 - 2.1025	1.9150 - 2.1225	1.9150 - 2.1400	1.9150 - 2.1500	1.9150 - 2.1700	2.0284	1.8125
-- Grade A Swiss Cuts 6 - 9#	2.4000 - 2.4850	2.4200 - 2.4850	2.4200 - 2.4850	2.4200 - 2.5500	2.4500 - 2.5500	2.4706	2.3152
NORTHEAST (WSP, Delivered, LTL)							
-- Cheddar 10# Prints	1.7625 - 2.2425	1.7850 - 2.2650	1.8025 - 2.2850	1.8150 - 2.3000	1.8350 - 2.3200	2.0467	1.6432
-- Cheddar Single Daisies	1.7325 - 2.2475	1.7550 - 2.2700	1.7725 - 2.2875	1.7850 - 2.3000	1.8050 - 2.3200	2.0327	1.6307
-- Cheddar 40# Block	1.8975 - 2.0475	1.9225 - 2.0700	1.9400 - 2.0875	1.9525 - 2.1000	1.9725 - 2.1200	2.0164	1.6073
-- Process 5# Loaf	1.9375 - 2.0900	1.9425 - 2.0950	1.9525 - 2.1050	1.9675 - 2.1200	1.9875 - 2.1400	2.0368	1.6356
-- Process 5# Sliced	1.9675 - 2.1500	1.9725 - 2.1550	1.9825 - 2.1650	1.9950 - 2.1800	2.0150 - 2.2000	2.0813	1.6634
-- Muenster	1.9300 - 2.2550	1.9525 - 2.2775	1.9700 - 2.2950	1.9925 - 2.3075	2.0125 - 2.3275	2.1376	1.7707
-- Grade A Swiss Cuts 10 - 14#	2.2500 - 2.5050	2.2500 - 2.5050	2.2500 - 2.5050	2.2500 - 2.5050	2.2500 - 2.5050	2.3775	2.3775
WEST COAST (WSP, Delivered, LTL)							
-- Process 5# Loaf	1.9100 - 2.1625	1.9200 - 2.1675	1.9300 - 2.1775	1.9400 - 2.1900	1.9600 - 2.2100	2.0598	1.6457
-- Cheddar 40# Block	1.8725 - 2.0225	1.8900 - 2.0450	1.9100 - 2.0625	1.9200 - 2.0750	1.9400 - 2.0950	1.9882	1.6536
-- Cheddar 10# Cuts	2.0825 - 2.2825	2.1000 - 2.3050	2.1175 - 2.3225	2.1300 - 2.3350	2.1500 - 2.3550	2.2230	1.8336
-- Monterey Jack 10#	2.0925 - 2.2450	2.1175 - 2.2675	2.1325 - 2.3250	2.1450 - 2.2975	2.1650 - 2.3175	2.2118	1.7974
-- Grade A Swiss Cuts 6 - 9#	2.3900 - 2.4900	2.3900 - 2.4900	2.3900 - 2.4900	2.3900 - 2.4900	2.4000 - 2.5300	2.4460	2.4488
FLUID AND DRY PRODUCTS							
SPOT PRICES OF CLASS II CREAM (\$ per lb. butterfat)							
Delivered Equivalent:							
-- Northeast	3.5280 - 3.9567	3.2364 - 3.6801	2.8670 - 3.3135	2.8487 - 3.1756	2.7960 - 3.1688	3.1957	1.9489
-- Atlanta	3.5840 - 3.9200	3.2886 - 3.6540	2.9610 - 3.2900	2.8954 - 3.2023	2.8426 - 3.1688	3.2207	1.9674
-- Upper Midwest	3.5840 - 3.8080	3.3408 - 3.5496	2.8200 - 3.1960	2.7787 - 2.9188	2.7960 - 3.1688	3.1336	1.9039
SPOT PRICES OF CONDENSED SKIM (\$ per lb. wet solids)							
Delivered Equivalent:							
-- Northeast	0.8000 - 1.0500	0.7500 - 1.0500	0.8500 - 1.0500	0.8500 - 1.0500	0.8500 - 1.0500	0.9357	1.0200
WISCONSIN FLUID MILK SHIPMENTS							
-- Loads Shipped from Wisconsin Shipping Points	0	52	46	21	14	133	181
NATIONAL EVAPORATED MILK (\$ per Case)							
(Case - 48 - 12 fluid oz cans)							
-- Delivered Major U.S. Cities	23.6200 -33.0000	23.6200 -33.0000	23.6200 -33.0000	23.6200 -33.0000	23.6200 -33.0000	28.3100	27.7500

MONTHLY SUMMARY AND AVERAGES FOR OCTOBER 1998 1/ - (UNLESS OTHERWISE NOTED, PRICES ARE DOLLARS PER POUND, CL/TL)

COMMODITY	REPORT NUMBER 39	REPORT NUMBER 40	REPORT NUMBER 41	REPORT NUMBER 42	REPORT NUMBER 43	1998	1997
	OCT 01 - 02	OCT 05 - 09	OCT 12 - 16	OCT 19 - 23	OCT 26 - 30	Average or Total	Average or Total
DRY PRODUCTS							
NONFAT DRY MILK							
-- Central (f.o.b.)							
-- Low/Medium Heat	1.0800 - 1.1500	1.0800 - 1.1500	1.0800 - 1.1500	1.0900 - 1.1525	1.0900 - 1.1525	1.1180	N.A.
-- Mostly	1.0800 - 1.1000	1.0800 - 1.1000	1.0800 - 1.1000	1.0900 - 1.1000	1.0900 - 1.1000	1.0924	N.A.
-- West (f.o.b.)							
-- Low/Medium Heat	1.0600 - 1.1450	1.0600 - 1.1650	1.0600 - 1.1750	1.0600 - 1.1750	1.0600 - 1.1600	1.1131	1.0475
-- Mostly	1.1000 - 1.1400	1.1000 - 1.1400	1.1000 - 1.1400	1.1100 - 1.1300	1.1100 - 1.1300	1.1200	1.0400
-- High Heat	1.1200 - 1.1650	1.1200 - 1.1700	1.1200 - 1.1700	1.1200 - 1.1700	1.1200 - 1.1700	1.1448	1.0695
-- Northeast (f.o.b.)							
-- Low/Medium Heat	1.1000 - 1.1400	1.1000 - 1.1600	1.1000 - 1.1700	1.1000 - 1.1700	1.1000 - 1.1700	1.1324	N.A.
-- High Heat	1.1200 - 1.1600	1.1200 - 1.1900	1.1300 - 1.1900	1.1300 - 1.1900	1.1300 - 1.1900	1.1569	N.A.
-- Mostly	1.1200 - 1.1400	1.1200 - 1.1400	1.1300 - 1.1400	1.1400 - 1.1500	1.1400 - 1.1500	1.1381	N.A.
-- Southeast (Delvd)							
-- Extra & Grade A	1.1300 - 1.1700	1.1300 - 1.1900	1.1300 - 1.1900	1.1300 - 1.1900	1.1300 - 1.1900	1.1590	1.0766
WHEY POWDER (Nonhygroscopic)							
-- Central (f.o.b.)	0.2600 - 0.2950	0.2475 - 0.2800	0.2300 - 0.2750	0.2150 - 0.2625	0.2150 - 0.2625	0.2510	0.3213
-- Mostly	0.2800 - 0.2825	0.2600 - 0.2700	0.2450 - 0.2600	0.2400 - 0.2500	0.2400 - 0.2500	0.2546	0.3093
-- West (f.o.b.)	0.2350 - 0.2600	0.2350 - 0.2600	0.2300 - 0.2750	0.2300 - 0.2750	0.2300 - 0.2750	0.2508	0.2664
-- Mostly	0.2400 - 0.2425	0.2400 - 0.2425	0.2400 - 0.2425	0.2400 - 0.2425	0.2400 - 0.2425	0.2413	0.2626
-- Northeast Extra Grade (f.o.b.)	0.2625 - 0.2875	0.2525 - 0.2850	0.2400 - 0.2700	0.2400 - 0.2650	0.2250 - 0.2500	0.2554	0.3193
-- Northeast Usph Grade A(f.o.b.)	0.2850 - 0.2950	0.2600 - 0.2900	0.2500 - 0.2750	0.2400 - 0.2700	0.2400 - 0.2625	0.2636	0.3338
-- Southeast Extra Grade (Delvd)	0.2950 - 0.3175	0.2900 - 0.3100	0.2900 - 0.3100	0.2750 - 0.2825	0.2600 - 0.2750	0.2878	0.3516
WHEY PROTEIN CONCENTRATE							
-- Central And West (f.o.b.)	0.6000 - 0.6350	0.5900 - 0.6350	0.5900 - 0.6350	0.5900 - 0.6350	0.5800 - 0.6300	0.6112	0.5828
-- Extra Grade 34% Protein	0.6100 - 0.6200	0.6100 - 0.6200	0.6100 - 0.6200	0.6100 - 0.6200	0.6100 - 0.6150	0.6144	0.5915
-- Mostly							
ANIMAL FEED - WHEY							
-- Central (f.o.b.)							
-- Milk Replacer	0.2400 - 0.2650	0.2175 - 0.2500	0.2100 - 0.2300	0.2000 - 0.2200	0.2000 - 0.2175	0.2213	0.2939
-- Standard	0.2200 - 0.2350	0.2000 - 0.2200	0.1900 - 0.2100	0.1800 - 0.2000	0.1700 - 0.1900	0.1979	TFEWR
-- Roller Ground	0.2900 - 0.2975	0.2900 - 0.2975	0.2900 - 0.2975	0.2850 - 0.2950	0.2525 - 0.2625	0.2842	0.3120
-- Delactose	0.3275 - 0.3600	0.3275 - 0.3600	0.3275 - 0.3600	0.3275 - 0.3600	0.3275 - 0.3600	0.3438	0.3461
-- Northeast (f.o.b.)							
-- Milk Replacer	TFEWR	TFEWR	TFEWR	TFEWR	TFEWR	TFEWR	TFEWR
BUTTERMILK (Min. 30% protein)							
-- Central (f.o.b.)	0.9600 - 1.0275	0.9600 - 1.0275	0.9600 - 1.0700	0.9600 - 1.0700	0.9600 - 1.0700	1.0079	1.0070
-- West (f.o.b.)	0.9800 - 1.0400	0.9800 - 1.0400	0.9800 - 1.0400	0.9800 - 1.0400	0.9800 - 1.0400	1.0100	0.9789
-- Mostly	0.9900 - 1.0000	0.9900 - 1.0000	0.9900 - 1.0000	0.9900 - 1.0000	0.9900 - 1.0000	0.9950	0.9713
-- Northeast (f.o.b.)	0.9800 - 1.0000	0.9800 - 1.0000	0.9800 - 1.0000	0.9800 - 1.0000	0.9800 - 1.0000	0.9900	1.0456
-- Southeast (Delvd)	1.0200 - 1.0625	1.0200 - 1.0625	1.0200 - 1.0625	1.0200 - 1.0625	1.0200 - 1.0800	1.0433	1.0641
WHOLE MILK POWDER							
-- National							
-- F.O.B. Producing Plant	1.5750 - 1.8500	1.5750 - 1.8500	1.5750 - 1.8500	1.5750 - 1.8500	1.5750 - 1.7500	1.7006	1.3130
LACTOSE							
-- Central And West (f.o.b.)	0.1600 - 0.2400	0.1500 - 0.2350	0.1500 - 0.2350	0.1500 - 0.2350	0.1500 - 0.2350	0.1932	0.2200
-- Mostly	0.1700 - 0.1900	0.1700 - 0.1900	0.1700 - 0.1800	0.1700 - 0.1800	0.1700 - 0.1800	0.1767	0.2103
CASEIN - Edible - National (f.o.b.)							
-- Nonrestricted - Rennet	2.0500 - 2.1000	2.0500 - 2.1000	2.0000 - 2.1000	2.0000 - 2.1000	2.0000 - 2.1000	2.0583	2.2250
-- Nonrestricted - Acid	1.9500 - 2.1000	1.9500 - 2.1000	1.9500 - 2.0500	1.9500 - 2.0500	1.9500 - 2.0500	2.0083	2.0500

1/ Prices for all products not footnoted 2/ are issued once a week and represent a value for the entire week. Monthly averages are based on weekly prices and are time-weighted according to the number of workdays in the month - Saturdays, Sundays and National Holidays excluded. No monthly average is computed if one or more weekly prices are missing. 2/ The monthly averages are based on the exchange trading date prices and are time-weighted for each day, starting with the exchange trading date, until the next exchange trading date - Saturdays, Sundays, and National Holidays are included.

CHICAGO MERCANTILE EXCHANGE MONTHLY SUMMARY AND AVERAGES FOR OCTOBER 1998

COMMODITY	::REPORT NUMBER 39	::REPORT NUMBER 40	::REPORT NUMBER 41	::REPORT NUMBER 42	::REPORT NUMBER 43	:: 1998	: 1997
	::-----	::-----	::-----	::-----	::-----	:: Average*	: Average
	:: OCT 1 - 2	:: OCT 5 - 9	:: OCT 12 - 16	:: OCT 19 - 23	:: OCT 26 - 30	::	:
CHEESE							
-- Barrels							
--Monday	::	:: 1.7625	:: 1.7725	:: 1.7925	:: 1.8125	::	:
--Tuesday	::	:: 1.7650	:: 1.7775	:: 1.7950	:: 1.8125	::	:
--Wednesday	::	:: 1.7675	:: 1.7775	:: 1.7975	:: 1.8125	::	:
--Thursday	:: 1.7625	:: 1.7675	:: 1.7825	:: 1.8050	:: 1.8175	::	:
--Friday	:: 1.7625	:: 1.7725	:: 1.7925	:: 1.8125	:: 1.8200	:: 1.7882	: N.A.
-- Weekly Average**	:: 1.7565	:: 1.7670	:: 1.7805	:: 1.8005	:: 1.8150	:: ---	:
-- 40# Blocks							
--Monday	::	:: 1.7950	:: 1.8050	:: 1.8225	:: 1.8425	::	:
--Tuesday	::	:: 1.7950	:: 1.8050	:: 1.8250	:: 1.8425	::	:
--Wednesday	::	:: 1.7975	:: 1.8100	:: 1.8350	:: 1.8425	::	:
--Thursday	:: 1.7875	:: 1.8000	:: 1.8175	:: 1.8350	:: 1.8475	::	:
--Friday	:: 1.7925	:: 1.8050	:: 1.8200	:: 1.8425	:: 1.8500	:: 1.8189	: N.A.
-- Weekly Average**	:: 1.7815	:: 1.7985	:: 1.8115	:: 1.8320	:: 1.8450	:: ---	:
NONFAT DRY MILK							
-- Extra Grade							
--Monday	::	:: 1.1650	:: 1.1650	:: 1.1650	:: 1.1650	::	:
--Tuesday	::	:: 1.1650	:: 1.1650	:: 1.1650	:: 1.1650	::	:
--Wednesday	::	:: 1.1650	:: 1.1650	:: 1.1650	:: 1.1650	::	:
--Thursday	:: 1.1650	:: 1.1650	:: 1.1650	:: 1.1650	:: 1.1600	::	:
--Friday	:: 1.1650	:: 1.1650	:: 1.1650	:: 1.1650	:: 1.1600	:: 1.1645	: N.A.
-- Weekly Average**	:: 1.1650	:: 1.1650	:: 1.1650	:: 1.1650	:: 1.1630	:: ---	:
-- Grade A							
--Monday	::	:: 1.1625	:: 1.1650	:: 1.1650	:: 1.1650	::	:
--Tuesday	::	:: 1.1650	:: 1.1650	:: 1.1650	:: 1.1650	::	:
--Wednesday	::	:: 1.1650	:: 1.1650	:: 1.1650	:: 1.1650	::	:
--Thursday	:: 1.1625	:: 1.1650	:: 1.1650	:: 1.1650	:: 1.1650	::	:
--Friday	:: 1.1625	:: 1.1650	:: 1.1650	:: 1.1650	:: 1.1650	:: 1.1647	: N.A.
-- Weekly Average**	:: 1.1625	:: 1.1645	:: 1.1650	:: 1.1650	:: 1.1650	:: ---	:

* Monthly average is a simple average of all the closes during the month. Weekly and monthly averages are independent calculations.

** Weekly averages are simple averages of the closes during the calendar week and are for informational purposes. Should the week be split between two months, the weekly average will appear in the monthly report in which the Friday close is reported.

OCTOBER 1998 DEIP BID ACCEPTANCE

ACCEPTANCE DATE	DESTINATION	QUANTITY (MT)	DEL. PERIOD	BONUS/MT
NONFAT DRY MILK				
SEPTEMBER 1998		32,576		
10/05	AFRICA & MIDDLE EAST	228	OCT-DEC	\$1,035
10/06	CARIBBEAN, CENT & S. AM	20	OCT	\$1,000
10/09	AFRICA & MIDDLE EAST	228	DEC-JAN	\$1,035
10/09	CARIBBEAN, CENT & S. AM	18	OCT	\$1,000
10/19	AFRICA & MIDDLE EAST	17	OCT-NOV	\$1,035
10/19	CARIBBEAN, CENT & S. AM	228	OCT-NOV	\$1,040
10/21	CARIBBEAN, CENT & S. AM	18	OCT-NOV	\$1,040
10/21	ASIA & FSU	105	DEC-FEB	\$1,040
10/22	AFRICA & MIDDLE EAST	53	NOV-DEC	\$1,075
10/27	AFRICA & MIDDLE EAST	195	OCT-NOV	\$1,075
10/28	AFRICA & MIDDLE EAST	200	NOV-APR	\$1,075
10/28	ASIA & FSU	561	DEC-JAN	\$1,040
10/30	CARIBBEAN, CENT & S. AM	20	NOV-DEC	\$1,040
OCTOBER 1 - 30, 1998		<u>1,891</u>		
PROGRAM TO DATE		34,467		
WHOLE MILK POWDER				
SEPTEMBER 1998		2,080		
OCTOBER 1 - 30, 1998		<u>0</u>		
PROGRAM TO DATE		2,080		
CHEESE				
SEPTEMBER 1998		1,225		
10/01-M,C,MJ	ASIA & FSU	3	OCT-NOV	\$1,485
10/01-P	CARIBBEAN, CENT & S. AM	38	OCT-MAR	\$1,525
10/14-P	CARIBBEAN, CENT & S. AM	207	OCT-MAR	\$1,521.05
10/16-P	CARIBBEAN, CENT & S. AM	127	OCT-APR	\$1,525
10/19-M	AFRICA & MIDDLE EAST	22	OCT-JAN	\$1,525
10/21-M	AFRICA & MIDDLE EAST	22	OCT-FEB	\$1,525
10/22-P	AFRICA & MIDDLE EAST	9	OCT-JAN	\$1,525
10/26-P	AFRICA & MIDDLE EAST	22	OCT-FEB	\$1,525
OCTOBER 1 - 30, 1998		<u>450</u>		
PROGRAM TO DATE		1,675		
C-CHEDDAR, G-GOUDA, M-MOZZARELLA, P-PROCESSED AMERICAN, CC-CREAM CHEESE, MJ - MONTEREY JACK				
BUTTEROIL/ANHYDROUS MILKFAT				
SEPTEMBER 1998		0		
OCTOBER 1 - 30, 1998		<u>0</u>		
PROGRAM TO DATE		0		
TOTAL MT				PROGRAM-TO-DATE
TOTAL BONUS VALUE				38,222
				\$38,315.000

Exporters of U.S. milk powder, butterfat and cheddar cheese are aided under the Dairy Export Incentive Program (DEIP), created by Food Security Act of 1985 and extended by the Food, Agriculture, Conservation, and Trade Act of 1990. Export sales are facilitated through payment of bonuses by the U.S. Department of Agriculture's Commodity Credit Corporation. Sales of dairy products will be made through normal commercial channels at competitive world prices. For further information call L.T. McElvain (202) 720-6211. Conversion: 1 metric ton (MT) = 2,204.6 pounds.

SOURCE: FOREIGN AGRICULTURAL SERVICE

SEPTEMBER 1998 DAIRY PRODUCTS HIGHLIGHTS

BUTTER production was 67.2 million pounds in September, 15.4 percent below September 1997 but 9.2 percent above August 1998. **AMERICAN TYPE CHEESE** production totaled 246.1 million pounds, 5.8 percent below September 1997 and 5.7 percent below August 1998. **TOTAL CHEESE** output (excluding cottage cheese) was 581.7 million pounds, 3.7 percent below September 1997 and 2.4 percent below August 1998. **NONFAT DRY MILK** production, for human food, totaled 63.0 million pounds, 18.5 percent below September 1997 and 13.1 percent below August 1998. **DRY WHEY** production, for human food, was 82.4 million pounds, 3.7 percent below September 1997 and 10.0 percent below August 1998. **ICE CREAM** (hard) production totaled 72.7 million gallons, 6.9 percent above September 1997 but 5.4 percent below August 1998.

PRODUCTION OF DAIRY PRODUCTS									
PRODUCT	SEP 1998	PERCENT CHANGE FROM:			PRODUCT	SEP 1998	PERCENT CHANGE FROM:		
	1,000 LBS.	SEP 1997	AUG 1998	YEAR TO DATE 1/		1,000 LBS.	SEP 1997	AUG 1998	YEAR TO DATE 1/
BUTTER	67,155	-15.4	9.2	-10.5	DRY BUTTERMILK	2,643	-14.4	13.2	---
CHEESE					YOGURT (PLAIN AND FLAVORED)	146,611	-3.3	14.6	---
AMERICAN TYPES 2/	* 246,118	-5.8	-5.7	-0.5	CONDENSED WHEY, SOLIDS CONTENT 8/				
CHEDDAR	190,002	-8.7	-7.2	-2.0	SWEET-TYPE, HUMAN FOOD	7,032	-24.3	-11.4	---
SWISS	16,396	1.8	-5.5	---	SWEET-TYPE, ANIMAL FEED	1,762	-20.4	1.1	---
BRICK & MUENSTER	7,564	-17.6	-3.8	---	DRY WHEY PRODUCTS				
CREAM & NEUFCHATEL	58,981	-4.7	23.0	---	DRY WHEY, HUMAN FOOD	82,391	-3.7	-10.0	---
BLUE	3,958	3.2	14.4	---	DRY WHEY, ANIMAL FEED	5,928	42.3	-5.3	---
HISPANIC	6,196	3.5	5.3	---	REDUCED LACTOSE AND MINERALS				
MOZZARELLA	184,273	2.9	-3.7	3.4	HUMAN FOOD	5,971	37.7	3.9	---
OTHER ITALIAN TYPES	46,798	-16.2	-7.2	1.2	ANIMAL FEED	2,680	17.7	-13.0	---
TOTAL ITALIAN TYPES	231,071	-1.6	-4.4	2.9	LACTOSE, HUMAN FOOD & ANIMAL FEED	36,796	14.1	-2.1	---
ALL OTHER TYPES 3/	11,381	2.6	6.6	---	WHEY PROTEIN CONCENTRATE				
TOTAL	581,665	-3.7	-2.4	1.3	HUMAN FOOD	19,806	14.6	-6.6	---
COTTAGE CHEESE, CURD 4/	40,264	-0.8	4.0	---	ANIMAL FEED	2,820	-1.4	-19.1	---
COTTAGE CHEESE, CREAMED 5/	32,506	3.5	2.2	1.6	FROZEN PRODUCTS	1,000 GALLONS	PERCENT CHANGE FROM:		
COTTAGE CHEESE, LOWFAT 6/	32,643	4.6	10.0	2.9	ICE CREAM (HARD)	72,724	6.9	-5.4	1.4
CANNED EVAPORATED & CONDENSED					ICE CREAM, LOWFAT (HARD)	8,691	2.3	-3.9	---
WHOLE MILK	31,888	-23.1	-14.3	---	ICE CREAM, LOWFAT (SOFT)	26,704	16.0	-14.3	---
DRY WHOLE MILK	10,335	-10.2	-19.3	---	ICE CREAM, LOWFAT (TOTAL)	35,395	12.3	-11.9	-3.1
NONFAT DRY MILK, HUMAN FOOD	7/ 63,049	-18.5	-13.1	-9.1	SHERBET (HARD)	3,984	4.1	-19.5	-1.1
DRY SKIM MILK, ANIMAL FEED	297	-14.4	0.3	---	YOGURT	8,775	7.9	11.8	-8.8

MANUFACTURERS' STOCKS, END OF MONTH 9/							
PRODUCT	SEP 1998	PERCENT OF:		PRODUCT	SEP 1998	PERCENT OF:	
	1,000 LBS.	SEP 1997	AUG 1998		1,000 LBS.	SEP 1997	AUG 1998
DRY WHEY PRODUCTS				WHEY PROTEIN CONCENTRATE			
DRY WHEY, HUMAN FOOD	36,420	23.7	-4.2	HUMAN FOOD	10,938	24.3	-9.5
DRY WHEY, ANIMAL FEED	3,681	48.2	-15.9	ANIMAL FEED	1,000	-10.5	-6.5
REDUCED LACTOSE & MINERALS--HUMAN & ANIMAL 10/	12,182	8.0	0.5	CANNED EVAPORATED & CONDENSED WHOLE MILK	62,176	39.4	-2.4
LACTOSE, HUMAN FOOD & ANIMAL FEED	28,205	19.6	-10.8	DRY WHOLE MILK	5,468	-5.2	-4.9
DRY BUTTERMILK, TOTAL	2,344	-16.7	1.9	NONFAT DRY MILK FOR HUMAN FOOD	64,441	-51.9	-17.5
				DRY SKIM MILK FOR ANIMAL FEED	1,411	1.6	20.7

1/ 1998 cumulative as percent change of 1997 cumulative. 2/ Whole milk cheese, including Cheddar, colby, washed curd, stirred curd, monterey and jack. 3/ Does not include part skim cheese beginning January 1996 or Hispanic cheese beginning June 1996. 4/ Mostly used for processing into creamed or lowfat cottage cheese. 5/ Fat content 4 percent or more. 6/ Fat content less than 4 percent. 7/ Includes combined Minnesota and Wisconsin production of 849,000 lbs. 8/ Final marketable product only. Does not include quantity used or shipped to another plant for further processing into dry whey or modified whey products. 9/ Stocks held by manufacturers at all points and in transit. 10/ Reduced lactose and minerals stocks combined to avoid disclosure of individual operations. *Includes combined Minnesota and Wisconsin production of 107,735,000 lbs.

SOURCE: "Dairy Products," Da 2-6 (11-98), Agricultural Statistics Board, National Agricultural Statistics Service, USDA.

OCTOBER AGRICULTURAL PRICES HIGHLIGHTS

The index of prices paid by farmers for commodities and services, interest, taxes, and wage rates in October 1998 was unchanged at 113. Compared with October 1997, the index was down 4 points (3.4 percent). The index of prices received by farmers for dairy products advanced 5 points during the month of October 1998 to 132. Compared with October 1997, the index was up 24 points (22.2 percent).

On a 3.5 percent butterfat basis, prices received by farmers in October with changes from September were: for All Milk, \$16.86 per hundredweight (cwt.), up 52 cents; for Fluid Grade Milk, \$16.86 per cwt., up 39 cents; and for Manufacturing Grade Milk, \$15.35 per cwt., up 50 cents.

SELECTED MILK PRICES, COWS AND DAIRY FEED PRICES, SELECTED STATES AND U.S., OCTOBER 1998 WITH COMPARISONS

STATE	All-milk price 1/ 3/				Milk cows 5/		Cows 6/		All hay baled 7/	
	Dollars per cwt.		Dollars per cwt.		Dollars per head		Dollars per cwt.		Dollars per ton	
	SEPTEMBER		OCTOBER		OCTOBER		OCTOBER		OCTOBER	
	1998	1997 2/	1998 4/	1997 2/	1998	1997	1998 7/	1997 8/	1998	1997
CA	16.14	12.14	16.87	13.10	1,310	1,240	29.50	32.00	97.00	110.00
ID	15.31	12.67	15.62	12.86	1,180	1,150	29.80	29.60	85.00	114.00
MI	16.30	13.19	16.88	13.79	1,190	1,080	30.00	35.50	92.00	103.00
MN	16.19	13.37	17.04	13.77	1,110	1,030	32.00	33.50	55.00	91.00
NY	16.27	13.06	16.70	13.95	1,050	980	---	---	94.00	101.00
OH	16.21	12.52	16.32	13.42	1,200	1,080	32.00	32.00	97.00	146.00
PA	17.07	13.08	17.26	14.42	1,180	1,080	33.60	33.30	112.00	137.00
TX	16.97	12.90	17.10	14.32	1,200	1,090	29.20	31.20	87.00	67.00
WA	17.18	12.82	17.24	13.81	1,250	1,150	---	---	96.00	112.00
WI	16.22	13.47	16.99	13.81	1,140	1,040	30.90	34.70	76.00	85.00
U.S.	16.34	12.99	16.86	13.78	1,180	1,090	30.70	33.10	85.20	100.00

1/ Prices converted to 3.5 percent butterfat. 2/ Partially revised. 3/ Before deductions for hauling. Includes quality, quantity, and other premiums. Excludes hauling subsidies. 4/ Preliminary. 5/ Animals sold for dairy herd replacement only. 6/ Beef cows and cull dairy cows sold for slaughter. 7/ Mid-month price. 8/ Entire month.

MILK AND PARITY PRICE RELATIONSHIPS AND OTHER GENERAL PRICE MEASURES, U.S., OCTOBER 1998 WITH COMPARISONS 1/

ITEM	OCTOBER 1997	SEPTEMBER 1997 2/	OCTOBER 1998 3/
PRICES (converted to 3.5 percent butterfat) received by farmers for:			
All milk Dol. per cwt.	13.78	16.34	16.86
Fluid grade milk Dol. per cwt.	13.79	16.47	16.86
Manufacturing grade milk Dol. per cwt.	12.65	14.85	15.35
INDEX NUMBERS for:			
Prices received by farmers for dairy products (1990-92 = 100) Index	108	127	132
Prices paid by farmers for commodities and services, interest taxes, and wage rates (1990-92=100) Index	117	113	113
PARITY PRICE for all milk Dol. per cwt.	29.60	28.90	28.90
PARITY EQUIVALENT price for manufacturing grade milk Dol. per cwt.	26.88	26.27	26.27
MILK FEED PRICE RATIO: Pounds of 16% Mixed Dairy Feed equal in value to one pound of milk 4/	2.63	3.96	4.08

1/ Parity prices are based on data for the current month. Parity price equivalent during 1998 is 90.9% of the parity price of all milk sold to plants, compared with 90.8 percent in 1997. 2/ Partially revised. 3/ Preliminary. 4/ Reporting change; the feed price measure used to compute the previous data series has been discontinued. For this data series, the price of the commercial prepared feed is based on current U.S. prices received for corn, soybeans, and alfalfa hay.

SOURCE: "Agricultural Prices," Pr 1 (10/98), Agricultural Statistics Board, National Agricultural Statistics Service, USDA.

CCC PURCHASES OF DAIRY PRODUCTS

FOR THE WEEK OF NOVEMBER 2 - 6, 1998				CUMULATIVE TOTALS				UNCOMMITTED INVENTORIES			
TOTAL		CONTRACT	ADJUSTED	SINCE		SAME PERIOD		PERIOD ENDING		SAME PERIOD	
PURCHASES	ADJUSTMENTS		PURCHASES	10/01/98	LAST YEAR	10/30/98	LAST YEAR				
BUTTER											
Bulk	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Packaged	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
CHEESE											
Block	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Barrel	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Process	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
NONFAT DRY MILK											
Nonfortified	-0-	-0-	-0-	-0-	103,384	408,912	41,465,000	-0-	-0-	-0-	-0-
Fortified	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL	-0-	-0-	-0-	-0-	103,384	408,912	41,465,000	-0-	-0-	-0-	-0-

MILK EQUIVALENT, MILKFAT AND SKIM SOLIDS BASIS, OF ADJUSTED PURCHASES (MILLION POUNDS)

	MILKFAT*	SKIM**	MILKFAT*	SKIM**
	BASIS	SOLIDS	BASIS	SOLIDS
WEEK OF NOVEMBER 2 - 6, 1998 =	0.0	1.2	COMPARABLE WEEK IN 1997 =	0.0
CUMULATIVE SINCE OCTOBER 1, 1998 =	0.0	1.2	CUMULATIVE SAME PERIOD LAST YEAR =	0.1
CUMULATIVE JANUARY 1 - NOVEMBER 6, 1998 =	25.0	1,321.4	COMPARABLE CALENDAR YEAR 1997 =	24.7

* Factors used for Milkfat Solids Basis: Butter times 21.80; Cheese times 9.23; and Nonfat Dry Milk times 0.22
**Factors used for Skim Solids Basis: Butter times 0.12; Cheese times 9.90; and Nonfat Dry Milk times 11.64

CCC ADJUSTED PURCHASES SINCE 10/1/98 AND SAME PERIOD LAST YEAR (POUNDS) AND MILK EQUIVALENT AS A PERCENT OF TOTAL									
REGION	1998/99	1997/98	1998/99	1997/98	1998/99	1997/98	1998/99	1997/98	1997/98
MIDWEST	-0-	-0-	-0-	-0-	-0-	-0-	0.0	0.0	0.0
WEST	-0-	-0-	-0-	-0-	103,384	408,912	100.0	100.0	100.0
EAST	-0-	-0-	-0-	-0-	-0-	-0-	0.0	0.0	0.0
TOTAL	-0-	-0-	-0-	-0-	103,384	408,912	100.0	100.0	100.0

SELLBACK TO THE TRADE NONFAT DRY MILK (POUNDS) MILK EQUIVALENT - MILKFAT BASIS* - MILLION POUNDS

WEEK OF OCT. 30 - NOV. 5, 1998	6,713,419	1.5
CUMULATIVE SINCE 10/1/98	7,962,820	1.8

SUPPORT PURCHASE PRICES FOR DAIRY PRODUCTS PRODUCED ON OR AFTER JANUARY 1, 1998

MANUFACTURING MILK: Average Test 3.67% - \$10.05 per cwt.; 3.5% - \$9.95

DOLLARS PER POUND

BUTTER: Bulk \$.6500; 1# Prints \$.6800
CHEESE: 40 & 60# Blocks \$1.1150; 500# Barrels \$1.0850; Process American 5# \$1.1675; Process American 2# \$1.2075
NONFAT DRY MILK: Nonfortified \$1.0280; Fortified \$1.0380; Instant \$1.1855

Dairy Cow & Total Cow Slaughter under Federal Inspection, by Regions & U.S., for Week Ending 10/17/98 & Comparable Week 1997 1/ 2/

Regions*											: U.S. TOTAL		: % DAIRY OF ALL	
											: WEEK	: SINCE JAN 1	: WEEK	: SINCE JAN 1
1998-Dairy cows HD (000)	: 0.3	1.3	6.5	5.8	16.2	2.5	3.1	0.7	8.5	2.6	47.3	2,111.1	42.4	45.4
1997-Dairy cows HD (000)	: 0.3	1.7	7.1	6.3	23.4	3.3	3.2	1.3	9.7	2.7	59.0	2,308.1	45.7	45.9
1998-All cows HD (000)	: 0.3	1.4	8.9	16.0	22.6	22.3	18.9	4.4	10.4	6.2	111.6	4,654.3		
1997-All cows HD (000)	: 0.3	1.8	9.8	17.8	32.6	18.3	18.8	9.1	12.8	7.6	129.0	5,026.8		

SOURCE: The slaughter data are gathered and tabulated in a cooperative effort by the Agricultural Marketing Service, The Food Safety and Inspection Service, and the National Agricultural Statistics Service, all of USDA.

CCC MARKET PRICE PURCHASES 11/4

DECEMBER SHIPMENT		
PROCESS		
PROCESS SLICED	950,400	\$2.1463-2.2340
MOZZARELLA	DECEMBER THROUGH JANUARY 31	
MOZZARELLA, LMPS	3,024,000	\$1.9450-1.9945

CUMULATIVE TOTAL CHEESE PURCHASES SINCE 10/1/98 = 15,681,621

BASIC FORMULA PRICE (BFP), MAY 1995* TO DATE & HISTORIC M-W (3.5% BF, \$/CWT.)

YEAR	JAN.	FEB.	MAR.	APR.	MAY	JUN.	JUL.	AUG.	SEP.	OCT.	NOV.	DEC.
1994	12.41	12.41	12.77	12.99	11.51	11.25	11.41	11.73	12.04	12.29	11.86	11.38
1995	11.35	11.79	11.89	11.16	*11.12	11.42	11.23	11.55	12.08	12.61	12.87	12.91
1996	12.73	12.59	12.70	13.09	13.77	13.92	14.49	14.94	15.37	14.13	11.61	11.34
1997	11.94	12.46	12.49	11.44	10.70	10.74	10.86	12.07	12.79	12.83	12.96	13.29
1998	13.25	13.32	12.81	12.01	10.88	13.10	14.77	14.99	15.10	16.04		